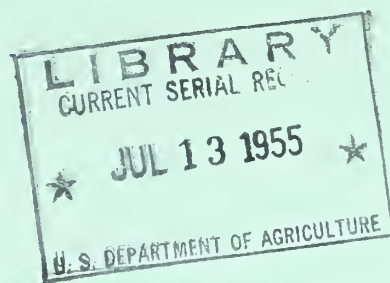


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COTTON and COTTONSEED MARKETING

and Related Production
Practices Among Negro
Farmers in Mississippi River
Delta Area of Louisiana

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
WASHINGTON, D.C. MAY 1955

ACKNOWLEDGMENTS

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COTTON AND COTTONSEED MARKETING AND RELATED PRODUCTION PRACTICES,
NEGRO FARMERS, MISSISSIPPI RIVER DELTA AREA OF LOUISIANA,
1952 SEASON

By Frederick C. Temple, Assistant Professor of Agricultural Economics,
Southern University and Agricultural and Mechanical College of Louisiana

INTRODUCTION

Cotton, the leading agricultural enterprise of Louisiana, is an important source of cash income for many farmers of the State. From 1947 through 1951, the average acreage of cotton harvested on Louisiana farms was about 852,000 acres, producing around 619,400 bales of cotton lint, averaging 1,500-pounds gross weight. During these years cash receipts from sale of cotton lint averaged a little more than \$104,382,000, and cash income from the sale of cottonseed averaged about \$14,298,000. ^{1/}

From 1947 through 1951, farmers received an average price of 34.08 cents per pound of cotton lint. Cottonseed marketed in the same years brought farmers an average price of about \$70.60 per ton.

This study pertains to the Mississippi River Delta Cotton Area, one of four cotton-producing areas of Louisiana, located in the northeastern section of the State with climatic and soil conditions ideal for cotton production. In 1951, approximately 41 percent of all cotton harvested in the four areas of the State came from the Mississippi River Delta area.

Purpose of Study

The purpose of the study reported here was to obtain factual information about the present methods of marketing cotton and cottonseed by Negro farmers in the Mississippi River Delta Area. Included also is a description of practices used in harvesting cotton. By appraising the existing marketing functions of transportation, ginning, storing, and selling, it is believed that recommendations can be developed which may improve marketing practices. These in turn should make possible an increase in farm income for Negro cotton farmers.

More specifically the purposes of this study are:

1. To identify and describe the present marketing practices and channels utilized in the marketing of cotton and cottonseed by Negro farmers.
2. To compare marketing practices followed by different producers.
3. To compile information on the harvesting and marketing of cotton and cottonseed that will be available to Negro county agricultural agents, teachers of vocational agriculture, and college staff members as a basis for educational work aimed at improving local harvesting and marketing practices followed by farmers.

^{1/} Computed from information published in the "Supplement for 1952 to Statistics on Cotton and Related Data, Statistical Bulletin No. 99," issued by the Bureau of Agricultural Economics.



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Scope and Method of Study

This report is based largely upon information secured from 252 Negro cotton farmers in 1952. These farmers were in the parishes of East Carroll, Franklin, Madison, Richland, and Tensas. In addition, various types of cotton buyers, cotton warehousemen, ginner, county agricultural agents, and landlords were consulted, in order to obtain a cross-section of views on marketing problems confronting farmers.

During intervals of the 1952 cotton season, harvesting and marketing practices in the parishes were observed. The Federal cotton classing office located at Winnsboro, La. (Franklin Parish) was also visited.

Secondary data compiled by the former Bureau of Agricultural Economics (now included in the Agricultural Marketing Service) on acreage, production, and prices were utilized. Statistical data were also furnished by the State Agricultural Statistician. These data, together with information furnished by several agricultural experiment stations, were used in the analyses.

Method of study was based upon a survey of farmers selected through a modified random sampling procedure on a stratified basis, using outlined highway maps for each of the selected parishes.

This sampling procedure was designed to provide a distribution of farmers throughout each selected parish, in order to have a representative picture of marketing practices followed by Negro farmers. Each selected parish was divided into sampling units, determined mainly by concentration of farmers in each ward. From the sampling units, every 33rd unit in the open country parts of the various wards was selected. From each selected sampling unit, each Negro farmer who marketed at least one bale of cotton lint was interviewed.

SIGNIFICANT BACKGROUND FACTORS

Age and Education

Interviewed farmers ranged from 22 to 81 years of age; the largest number was in the 40-to 49-year age group (table 1). The average farmer was about 51 years of age and had had a little more than $4\frac{1}{2}$ years of education. Of the 252 farmers, 228 had received from 1 to 14 years of education, whereas 24 had not attended school. Nine had attended high school and one had attended college.

All farmers who made up the 20-to 29- and 30-to 39-year age groups had attended school. In these groups the sixth and fifth grade respectively was the average grade completed. Beyond the 30-to 39-year age group fewer farmers had attended school.

Table 1.- Negro cotton farmers: Education, by highest grade attained, by age groups, 1952

Farmers interviewed																													
Did not attend school															Attended school														
Total															Highest grade attained														
: Percent-:																													
: age															: age														
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Special training in agriculture obtained through the Veteran-on-the-Farm Training Program was received by a little more than 4 percent of the farmers. The average grower in this group who participated in the program was a little more than 35 years old, with about 2 $\frac{1}{2}$ years of participation. Of the farmers interviewed, only one had obtained training from 4-H Club work. This farmer was 45 years old and had had 1 year of participation.

Farm Acreage Owned or Operated in 1952

The farmers surveyed. owned or operated 14,236 acres of farmland. Sixty-one percent of this land was utilized for cultivation, 10 percent for open pasture, and 29 percent mainly for woodland. Size of the farms ranged from 5 to 725 acres; the average was about 56 $\frac{1}{2}$ acres.

Farmland used for cultivation was owned by 40 percent of the farmers, whereas farmland was rented by 46 percent of them. Fourteen percent of the farmers owned part and rented part of their land. Fifty-two percent of all farmers interviewed rented land on a share basis. Seventy-two percent of this number rented land on a half basis. Farmland was share-rented on a third, a fifth, or an eighteenth 2/ basis by a few individuals.

Twenty-one of the farmers surveyed rented land to other farmers. Five of these farmers speculated in production of cotton by renting land from the owner, then renting part of the same plot of land to other farmers on a share basis.

Only 13 percent of the farmers in the 20- to 29-year age group owned their cultivated farmland. Beyond this age group, the trend of land ownership was upward (table 2). This trend was due partly to land and equipment cost, which many young farmers just entering farming could not bear.

Importance of Part-Time Employment Off the Farm

Although cotton provided the major source of cash income for the 252 farmers, 29 percent of them derived part of their total farm income from employment off the farm, with the highest such employment in East Carroll Parish and the lowest in Tensas Parish.

The number of days for those who had part-time employment off the farm ranged from 4 to 360. 3/ The average number was 94, or about 3 months per year (table 3).

2/ Share renting 725 acres of land on an eighteenth basis was reported by one farmer. The farmer received no direct financial assistance from his landlord.

3/ Two farmers in Madison Parish were employed part time as foreman on plantations 360 days per year, while another farmer worked 360 days as a part-time farm laborer.

Table 2.- Negro cotton farmers: Ownership of cultivated land, by age groups, by parishes, 1952

Owned land 1/ Farmers interviewed							
Total		Parish					
Age group:	Percentage:	East	Franklin	Madison	Richland	Tensas	
	Actual: distri-	Carroll					
	bution						
Years	Number	Percent	Number	Number	Number	Number	Number
20 - 29	: 2	13.3	---	---	1	---	1
30 - 39	: 5	18.5	1	2	1	1	---
40 - 49	: 29	39.2	5	8	5	4	7
50 - 59	: 37	52.1	9	9	8	4	7
60 - 69	: 18	34.6	3	2	4	3	6
70 - 79	: 8	72.7	---	1	2	3	2
80 - 89	: 2	100.0	1	---	---	---	1
Total:	101	40.1	19	22	21	15	24
Rented land 2/							
20 - 29	: 11	73.4	1	3	1	2	4
30 - 39	: 17	63.0	2	5	2	5	3
40 - 49	: 32	43.2	5	8	6	9	4
50 - 59	: 27	38.0	7	6	5	5	4
60 - 69	: 28	53.9	6	5	10	4	3
70 - 79	: 2	18.2	---	---	---	2	---
80 - 89	: ---	---	---	---	---	---	---
Total:	117	46.4	21	27	24	27	18
Owned and rented land 3/							
20 - 29	: 2	13.3	---	---	1	1	---
30 - 39	: 5	18.5	1	1	2	1	---
40 - 49	: 13	17.6	2	7	2	---	2
50 - 59	: 7	9.9	---	---	2	4	1
60 - 69	: 6	11.5	2	1	1	1	1
70 - 79	: 1	9.1	---	---	---	1	---
80 - 89	: ---	---	---	---	---	---	---
Total:	34	13.5	5	9	8	8	4

1/ Includes 13 farmers who rented land to other farmers.

2/ Includes 5 farmers who rented land to other farmers.

3/ Includes 3 farmers who rented land to other farmers.

Table 3.- Negro cotton farmers: Distribution of farmers by number of days worked off the farm, by parishes, November 15, 1951-November 15, 1952

Parish	Farmers interviewed										
	Farming only			Farming and worked off the farm							
	Total			Days worked off farm							
	Actual	Percent-	age	Actual	Percent-	1-	61-	121-	181-	241-	301-
						60	120	180	240	300	360
	Num-	Num-	Per-	Num-	Per-	Num-	Num-	Num-	Num-	Num-	Num-
	ber	ber	cent	ber	cent	ber	ber	ber	ber	ber	ber
East											
Carroll	45	26	57.9	19	42.2	8	6	2	-	2	1
Franklin	58	40	69.0	18	31.0	11	4	1	-	2	-
Madison	53	37	69.8	16	30.2	8	4	1	-	1	2
Richland	50	40	80.0	10	20.0	6	2	-	2	-	-
Tensas	46	37	80.4	9	19.6	6	1	1	-	1	-
Total	252	180	71.4	72	28.6	39	17	5	2	6	3

Types of employment off the farm consisted mainly of work at sawmills and on other farms, driving school buses, and part-time carpentry.

PRODUCTION PRACTICES

Size of Cotton Enterprise and Yield

Cotton had been produced by farmers in the five parishes from 1 to 66 years; the number of years averaging about 24.

Farmers surveyed planted from 3 to 325 acres of cotton, with an average of about 20 acres per farm. East Carroll Parish led in acreage per farm, averaging about 24 acres, while farmers in Tensas Parish reported the smallest, averaging about 15 acres per farm.

Thirty-five percent of the 252 farmers either increased or decreased their 1952 acreage of cotton by more than 25 percent, as compared with 1951. Seventy-two percent who made changes increased acreage and 28 percent decreased.

Reasons for increases in acreage were the need of additional income, availability of labor, and availability of additional land for production for 39, 35, and 16 percent of the farmers. The remaining 10 percent bought tractors, making it profitable to cultivate additional land. Reasons for decreases in acreage were a shortage of labor and land for 62 and 38 percent of the farmers.

Two farmers who decreased their acreage of cotton because of lack of land, said they had disagreements with landlords and were forced to obtain smaller tracts from other landowners. One farmer who decreased his acreage was unable to liquidate a loan which forced him to sell half of his farmland to the creditor.

A total of about 4,993 acres of cotton was harvested in 1952 by the farmers interviewed (Table 4).

Table 4.- Negro cotton farmers: Distribution of farmers by total acres of cotton harvested, by parishes, 1952

Parish	Farmers interviewed	Acres harvested			Total acreage harvested
		Owned	Rented		
			Cash	Share	
	Number	Acres	Acres	Acres	Acres
East Carroll	45	381.5	13.5	655.0	1,050.0
Franklin	53	596.0	168.0	590.0	1,356.0
Madison	53	380.5	74.0	402.0	856.5
Richland	50	403.7	21.0	608.0	1,032.7
Tensas	46	415.0	14.0	269.0	698.0
Total	252	2,178.7	290.5	2,524.0	4,993.2

The yield of cotton lint produced by Negro farmers in the five parishes, averaged about three-fourths of a bale per acre (Table 5). Farmers interviewed in Franklin Parish reported the largest acreage harvested, a total of 1,356 acres. The yield per acre--half a bale--in this parish was the smallest of those surveyed. The smallest acreage of cotton--698 acres--was harvested in Tensas Parish, but this parish reported the highest yield, a little more than a bale per acre.

Table 5.- Negro cotton farmers: Distribution of farmers by cotton acreage, production, and yield, by parishes, 1952

Parish	Farmers interviewed	Acreage harvested	Production	Yield per acre
	Number	Acres	Bales	Bales
East Carroll	45	1,050.0	930.0	.89
Franklin	58	1,356.0	675.0	.50
Madison	53	856.5	775.5	.90
Richland	50	1,032.7	622.0	.60
Tensas	46	698.0	713.5	1.02
Total	252	4,993.2	3,716.0	.74

Farmers located throughout the five parishes surveyed produced 3,716 bales of cotton lint. Production of cotton per farm ranged from 1 to 335 bales and averaged about 15 (table 6).

Table 6.- Negro cotton farmers: Distribution of farmers by production of cotton, by parishes, 1952

Parish	Farmers interviewed	Cotton lint produced		
		Total production	Range	Average
	Number	Bales	Bales	Bales
East Carroll	45	930.0	2 - 335	20.7
Franklin	58	675.0	3 - 37	11.6
Madison	53	775.5	1 - 66	14.6
Richland	50	622.0	1 - 29	12.4
Tensas	46	713.5	4 - 34	15.5
Total	252	3,716.0	1 - 335	14.7

Varieties

One variety of cotton was grown by about 89 percent of the 249 farmers reporting, whereas 11 percent grew more than one variety (table 7). In Tensas Parish almost all farmers had adopted the practice of growing only one variety of cotton. Farmers who grew more than one variety were highest in Franklin Parish.

Table 7.- Negro cotton farmers: Distribution of farmers by varieties grown, by parish, 1952

Parish	Farmers reporting									
	Planted more than one variety					Planted one variety				
	Total 1/	Percent	Actual age distri- bution	Percent	Actual age distri- bution	Varieties				
	Num- ber	Num- ber	Per- cent	Num- ber	Per- cent	Delta- pine 15	Coker 100	Fox	Stone- ville 2 B	Half & Half
East Carroll	45	5	11.1	40	88.9	28	8	3	---	1
Franklin	58	12	20.7	46	79.3	43	---	---	3	---
Madison	50	2	4.0	48	96.0	44	---	3	---	---
Richland	50	8	16.0	42	84.0	41	---	---	1	---
Tensas	46	1	2.2	45	97.8	45	---	---	---	---
Total	249	28	11.2	221	88.8	201	8	6	4	1

1/ Three farmers did not know the variety they grew.

One of six different varieties of cotton was grown by the 221 farmers who grew only one variety, whereas from 2 to 3 different varieties were grown by 28 farmers. The variety most widely grown by those farmers interviewed who grew only one was Deltapine 15, which was favored by about 90 percent of them, whereas Coker 100 and Fox varieties were grown by 4 and 3 percent, respectively. Delfos 9169 and Half and Half were grown by about 1 percent of the farmers.

HARVESTING PRACTICES

Picking Cotton

Ninety-four percent of all cotton picked on the 252 farms was hand picked, and the remaining 6 percent was harvested by mechanical pickers. The farmers who used mechanical pickers harvested from 1 to 150 bales, an average of about 31 bales per farm. This indicates that mechanical pickers were used mainly by the larger cotton farmers.

Before picking, defoliation of cotton plants was practiced by about 6 percent of the farmers. All cotton was defoliated by 21 percent of these farmers, whereas the remaining 79 percent defoliated from 16 to 83 percent. Reasons given for defoliation were to reduce boll rot and to facilitate picking by hand and machine.

Mixing of seed cotton varieties while picking was reported by about 4 percent of the farmers. This was necessary when no one variety provided enough cotton for a bale.

Several farmers said that near the end of the harvesting season they hand snapped their cotton (pulled the entire boll from the stem), since many of the bolls were dry or rotten. This practice increased the quantity of trash gathered with the seed cotton.

Farmers picked cotton acreage from 1 to 4 times, with an average of a little more than 2 pickings per farm (table 8).

Table 8.- Negro cotton farmers: Distribution of farmers by number of pickings of cotton, by parishes, 1952

Parish	Total	Farmers reporting specified number of pickings			
		1	2	3	4
	Number	Number	Number	Number	Number
East Carroll	45	2	29	13	1
Franklin	58	1	41	13	3
Madison	53	2	26	21	4
Richland	50	3	33	12	2
Tensas	46	1	23	21	1
Total	252	9	152	80	11

Of the 252 farmers 26 picked damp seed cotton during the 1952 harvesting season. Fifty-four percent of these 26 farmers sun-dried their cotton at the farm to prepare seed cotton for smoother ginning. The 46 percent who did not said that the gins they patronized were equipped with drying facilities.

Forty-three percent of the farmers sun-dried by spreading cotton on the ground, while several farmers used sheets of tin or pieces of canvas to eliminate ground moisture. Damp cotton was spread in either a wagon or trailer by 36 percent of the farmers, while 21 percent placed seed cotton in the barn or cottonhouse to dry.

Storing of Seed Cotton

Of the 252 farmers interviewed 209 had suitable buildings for storing seed cotton. A little more than 98 percent of these frame buildings had raised floors, while 1 percent had floors on the ground. Less than 1 percent of the buildings had no floors.

Of the farmers who owned storage buildings 44 percent used them for storing their cotton; 56 percent did not store seed cotton at the farm, although they had available facilities.

Nine percent of those farmers who lacked suitable buildings for storing seed cotton, stored their cotton in farmhouses, in corncribs, on porches, in the field (on tin or canvas), or in a wagon covered with canvas (table 9).

Table 9.- Negro cotton farmers: Distribution of farmers by method of storing seed cotton on the farm, by parishes, 1952

Parish	Farmers interviewed									
	Stored seed cotton on farm, specified methods									
	Total	Total	In farm	In cotton-	In farm-	In corn-	On porch	In field	In wagon	In corn-
	Number	Number	barn	house	house	crib	Number	Number	Number	crib and on porch
East Carroll	45	19	8	6	1 ^{1/}	2	1	1	---	---
Franklin	58	14	12	---	---	1	---	1	---	---
Madison	53	33	12	13	5	3	---	---	---	---
Richland	50	23	12	9	---	---	---	---	---	2
Tensas	46	25	16	4	1	---	3	---	1	---
Total	252	114	60	32	7	6	4	2	1	2

^{1/} Includes 5 unoccupied and 2 occupied houses.

Sixty-seven percent of the farmers who stored seed cotton did so in order to obtain one bale lot or more for ginning. Twenty-five percent said that transportation facilities were unavailable for immediate hauling to a local gin, while 4 percent preferred to store their cotton so that it would have more time to dry. An additional 3 percent of the farmers said that at the time of their first picking the local gin had not begun operations. The remaining 1 percent stored seed cotton at the farm because the local gin was overcrowded.

Cotton Sacks

A total of 832 standardized cotton sacks ranging from 5 to 9 feet in length were bought by 59 percent of the farmers. The average price paid for 81 percent of these sacks 9 feet long was \$2.97, while the average price paid for 17 percent of the sacks 7½ feet long was \$2.52. The average price paid for a little more than 1 percent of the sacks 6 feet long was \$2.47. Less than 1 percent were 5 feet long and were bought at an average price of \$2.41 per unit.

Ten percent of the farmers had all cotton sacks furnished by their landlords, whereas 30 percent of them used sacks bought the previous year.

One percent of the farmers made their cotton sacks from 8 to 18 yards of ducking material, costing from \$2.75 to \$9.00. The average sum spent for ducking material by these farmers was \$6.72.

Labor for Picking

Information was obtained on farmers using hired and family labor for picking cotton, and concerning the proportion of the crop picked by each labor group.

Three percent of the 252 farmers used hired labor exclusively, and about 46 percent used family labor exclusively (table 10). Approximately 51 percent of the farmers used both family and hired labor, but most of these depended primarily on family labor.

Table 10.- Negro cotton farmers: Percentage distribution by number of farmers using hired labor ^{1/} and family labor for picking, by parishes, 1952

Parish	Farmers picking					
	Farmers interviewed	All cotton: 1-49.9 percent with hired labor	All cotton: 50-99.9 percent of cotton with family labor	All cotton: 100 percent of cotton with family labor	All cotton: 100 percent of cotton with hired labor	All cotton: 100 percent of cotton with family labor
	Number	Percent	Percent	Percent	Percent	Percent
East Carroll	45	6.7	26.6	37.8		28.9
Franklin	58	---	3.4	32.8		63.8
Madison	53	3.8	22.6	43.4		30.2
Richland	50	2.0	8.0	40.0		50.0
Tensas	46	2.2	13.0	32.6		52.2
Total	252	2.8	14.3	37.3		45.6

^{1/} Includes 7 farmers who had from 4 to 94 percent of their crop harvested by mechanical pickers.

In comparing the activities of the labor groups it was found that 71 percent of the 3,716 bales were picked by family labor, and 29 percent were picked by hired labor (table 11).

Table 11.- Negro cotton farmers: Proportion of cotton crop picked by family labor and by hired labor, by parishes, 1952

Parish	Farmers interviewed	Total picked	Picked by family labor	Picked by hired labor
	Number	Bales	Bales	Bales 1/
East Carroll	45	930.0	376.0	554.0
Franklin	58	675.0	619.5	55.5
Madison	53	775.5	537.5	238.0
Richland	50	622.0	506.5	115.5
Tensas	46	713.5	585.5	128.0
Total	252	3,716.0	2,625.0	1,091.0

1/ Includes 215 bales harvested by mechanical pickers.

Hired labor consisted of three types - local, commuting, and transient. Local hired labor consisted of pickers from neighboring farms, whereas commuting labor included pickers attracted from nearby towns. Transient labor consisted of pickers from other localities, who usually remained on the farm until the cotton crop had been harvested.

Of the 137 farmers using hired pickers, local, commuting, and transient labor was used exclusively by 78, 10, and 2 percent of the farmers, respectively. Both local and commuting labor were used by 9 percent of the farmers, and local and transient labor by 1 percent.

Cost of Harvesting

Of 137 farmers who used hired pickers, 135 had knowledge of the cost and quantity of cotton picked by hired labor. Farmers used hired labor to pick 100 to 396,000 pounds of seed cotton. The average quantity picked was 10,493 pounds per farm using hired pickers. Hired pickers were paid from \$1.50 to \$5.00 for each 100 pounds of picked cotton (table 12). The average price paid was about \$3.00 per 100 pounds.

Table 12.- Negro cotton farmers: Percentage distribution of farmers by average wages paid for each 100 pounds of seed cotton picked, by parishes, 1952

Parish	Farmers interviewed		Wages paid pickers per 100 pounds of seed cotton 1/					
	Inter-viewed	Hired pickers 2/	\$1.50-1.99	\$2.00-2.49	\$2.50-2.99	\$3.00-3.49	\$3.50-3.99	\$4.00 and over
	Number	Number	Percent of farmers	Percent of farmers	Percent of farmers	Percent of farmers	Percent of farmers	Percent of farmers
East Carroll	45	32	---	18.8	37.5	34.4	6.2	3.1
Franklin	58	21	---	4.8	42.9	33.3	19.0	---
Madison	53	35	2.8	5.7	42.9	40.0	8.6	---
Richland	50	25	---	8.0	20.0	56.0	16.0	---
Tensas	46	22	---	4.5	50.0	45.5	---	---
Total	252	135	.8	8.9	38.5	41.4	9.6	.8

1/ Excludes average wages paid to have cotton picked by mechanical pickers.

2/ Excludes 2 farmers in Madison Parish who did not know the exact cost, as the landlord furnished pickers and charged the cost to their account.

One farmer, accustomed to paying pickers \$2.50 per 100 pounds, paid \$5.00 for each 100 pounds of cotton picked near the close of the harvesting season because of scarcity of cotton in his field. Another farmer paid a recruiter 50 cents for each 100 pounds of cotton picked by pickers the recruiter had hauled to the farm. This farmer also paid all pickers furnished by the recruiter \$3.50 per 100 pounds of picked cotton. Seven farmers had part of their cotton harvested by mechanical pickers, paying from \$2.25 to \$3.00 for each 100 pounds harvested. The average price paid was about \$2.80 per 100 pounds.

TRANSPORTATION OF SEED COTTON

Method and Type of Transportation

Seventy percent of the farmers furnished transportation exclusively for hauling cotton to gins, whereas 28 percent utilized hired transportation. Two percent relied on their own and hired transportation. Hired transportation was used to the extent of 43 percent in Tensas Parish against 16 percent in Franklin.

The farm motortruck and horse and wagon were the most common transportation means (table 13).

In the last 5 years 34 percent of the 252 farmers changed the type of hauling vehicle they used. Thirty-six and 22 percent of these farmers bought farm trucks and tractors, respectively. Thirteen percent, who once depended on horses and wagons, changed to hired transportation. Landlords are hauling cotton for 7 percent of the farmers, who formerly hauled their own cotton to the gin. Most of the remaining 22 percent bought trailers or wagons partly to make hauling more convenient.

Cost of Hired Transportation

Cost of hired transportation ranged from \$0.75 to \$4.00 per bale lot seed cotton. The average cost was about \$2.52 per bale lot (table 14).

Eighty-nine percent of the 73 farmers who utilized hired transportation paid other farmers an average price of \$2.63 for each bale lot of cotton hauled to the gin. Ginners, mainly interested in securing trade, hauled seed cotton for 7 percent of the farmers for an average price of \$1.75 per bale lot. Landlords hauled cotton to the gin for 4 percent of the farmers. The average price paid was \$1.00 per bale lot.

Weight of Bale Lot

Bale lots of seed cotton transported by the 252 farmers weighed from 770 to 1,800 pounds. The average weight of a bale lot was about 1,496 pounds. There was no definite relationship between cost of hired transportation and weight of bale lots.

Table 13.-- Negro cotton farmers: Percentage distribution of farmers by type of transportation used for hauling cotton to the gin, by parishes, 1952

[illegible]

Table 14.- Negro cotton farmers: Distribution of farmers by amount paid for transporting one bale lot of seed cotton to a gin, by parishes, 1952

Parish	Farmers interviewed											
	Hired transportation											
	Total		1/		Percentage who paid - dollars							
	Number	Percent	Number	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
East Carroll	45	---	11	45.4	9.1	9.1	---	36.4	---	---	---	---
Franklin	58	---	9	---	---	33.3	33.3	22.2	11.2	---	---	---
Madison	53	---	19	10.5	5.2	21.1	15.8	26.3	---	---	21.1	---
Richland	50	7.7	13	30.8	7.7	38.5	15.3	---	---	---	---	---
Tensas	46	---	21	---	---	9.5	4.8	81.0	4.7	---	---	---
Total	252	1.4	73	15.1	4.1	20.5	12.3	38.4	2.7	5.5		

1/ Excludes 2 farmers in East Carroll Parish and 1 in Franklin who did not know the exact charge, as their landlord hauled their cotton and did not itemize the cost of various services performed.

Distance to Gin

Average distance from farm to gin for those farmers using own transportation was about 5 miles. For hired transportation the average distance was 10 miles. This indicates distance was a factor in determining the hauling method.

The 252 farmers patronized gins located from a quarter of a mile to $24\frac{1}{2}$ miles from their farms, the average distance being 7.5 miles (table 15).

Table 15.- Negro cotton farmers: Distribution of farmers by distance cotton was hauled to various gins, by parishes, 1952

Parish	Farmers interviewed	Miles seed cotton hauled to gin				
		$\frac{1}{4}$ - 5	$5\frac{1}{4}$ - 10	$10\frac{1}{4}$ - 15	$15\frac{1}{2}$ - 20	$20\frac{1}{4}$ - 25
	Number	Percent of farmers	Percent of farmers	Percent of farmers	Percent of farmers	Percent of farmers
East Carroll	45	57.8	20.0	11.1	8.9	2.2
Franklin	58	70.7	27.6	1.7	---	---
Madison	53	50.9	30.2	11.3	7.6	---
Richland	50	70.0	30.0	---	---	---
Tensas	46	6.5	23.9	41.3	19.6	8.7
Total	252	52.4	26.6	12.3	6.7	2.0

Although a relationship was evident between costs of hired transportation and distance to gins (table 16), a few farmers in each parish paid the same transportation cost for short and long distances. Cases were observed in which farmers paid \$2.50 and \$2.75 to have cotton hauled 2 and $5\frac{1}{2}$ miles, respectively, while in other cases those in the same parish paid only \$1.00 and \$0.75 for hauls of 3 and 6 miles, respectively. Variation in cost of transportation was accounted for partly by friendship, while some ginners charged a lower fee to get more business.

GINNING PRACTICES

Seed cotton is hauled to a gin, where it is unloaded by suction and carried mechanically through the gin cleaner, distributor, and feeder to the gin saws which separate the lint from the seed. Then the lint is carried by a current of air to condensers, where it is dropped into a press box to be pressed into bales. Bales are wrapped with jute or cotton bagging, which is held in place by flat steel ties.

Six farmers said they received a \$1.00 rebate for each ginned bale from several ginners who wanted their patronage. One farmer had a bale lot ginned free, as it was the ginner's custom to place no charges on his first bale for the season.

Eight farmers paid an additional fee of \$1.00 to \$2.00 a bale for having 10 light weight bales ginned. These 10 bales of cotton weighed from 314 to 411 pounds.

Choice of Ginner

From 1948 through 1952, one gin had been patronized by 61 percent of the 252 farmers because of its location. Thirty-nine percent had changed gins since 1948.

Of the 98 farmers who changed gins, 41 percent said that convenience influenced their change. Many of them had moved during the 5 years, and were patronizing the gin now nearest their farm. Four percent said their present landlord operated a gin, which they patronized as part of their rental arrangement. Other reasons for changing gins were better service, better ginning facilities, better sample, and friendship (table 17).

Charge for Ginning

Eighty-one percent of the farmers interviewed had gin tickets in their possession. Fifty-six percent of those having tickets had tickets that did not itemize the costs of ginning and of bagging and ties, but included both items as ginning charges. The remaining 44 percent had tickets that itemized these charges.

The 56 percent of farmers whose ginning charges included bagging and ties paid from \$9.19 to \$14.80 per bale lot, with an average charge of \$12.23 (table 18).

Those farmers who made up the 44 percent, with gin tickets itemizing costs separately, paid from \$6.24 to \$10.45 for ginning. The average charge was \$8.78 (table 19). Charges for jute or cotton bagging and ties, weighing about 22 pounds, ranged from \$3.50 to \$4.00. The average charge was about \$3.75. This made the total average charge for ginning, including the average cost of bagging and ties \$12.53.

STORAGE, SAMPLING, AND WEIGHING OF COTTON LINT

Ninety-two percent of the farmers had all bales of cotton hauled to bonded and licensed warehouses for storage soon after the cotton was ginned (table 20). This cotton was also sold on the basis of samples and weights taken by the bonded warehouseman. About 2 percent sold all cotton immediately after ginning based on gin samples and weights. Several farmers sold cotton to the ginner, who was also their landlord. One percent of the farmers placed part of their cotton in storage and sold the rest immediately after it was ginned. Farmers in this group also marketed part of their cotton on warehouse samples and weights, and the remaining part on a basis of gin samples and weights. Five percent of the farmers had no knowledge of where their cotton was stored or what agency took the sample and weight on which the sale of their cotton was based, since their landlord handled the marketing of their cotton, settling with them at the close of the marketing season.

Table 17. - Negro cotton farmers: Percentage distribution of farmers by factors determining a change in the choice of gins, by parishes, 1952

Parish	Farmers who changed gins, by reasons for changing															
	Farmers inter-viewed		Better service		Better facilities		Better sample		Friendship		Had to use land-lord's gin		Misunderstanding at former gin		Cinner buys cotton at good price from farm	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
East Carroll	45	18	33.3	16.6	22.2	5.6	11.1	---	---	5.6	---	---	---	5.6	---	---
Franklin	58	23	52.2	4.4	8.6	17.4	8.6	---	---	4.4	---	---	---	---	---	---
Madison	53	25	48.0	24.0	8.0	8.0	---	---	---	---	---	---	---	---	---	4.0
Richland	50	17	35.2	5.9	23.5	11.8	11.8	---	---	---	---	---	---	---	---	---
Tensas	46	15	26.7	13.3	---	6.7	20.0	13.3	---	---	---	---	---	---	6.7	---
Total	252	98	40.8	13.3	12.3	10.2	9.2	4.1	3.1	2.0	1.0	1.0	1.0	1.0	1.0	1.0

Table 18. - Negro cotton farmer: Percentage distribution of farmers by charges for ginning and for bagging and ties, by parishes, 1952

Parish	Record of ginning charges															
	Total		Percentage distribution		to \$9.00		to \$9.50		to \$10.00		to \$10.50		to \$11.00		to \$11.50	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
East Carroll	40	10	25.0	---	---	---	---	---	---	---	---	---	---	---	---	---
Franklin	45	30	66.7	---	---	---	---	---	---	---	---	---	---	---	---	---
Madison	36	8	22.2	---	---	---	---	---	---	---	---	---	---	---	---	---
Richland	44	30	68.2	---	---	---	---	---	---	---	---	---	---	---	---	---
Tensas	40	36	90.0	---	---	---	---	---	---	---	---	---	---	---	---	---
Total	205	114	55.6	.9	.9	1.8	---	9.6	31.6	23.6	15.8	6.1	5.3	2.6	1.8	---

1/ Excludes \$6.00 additional fees paid for 4 underweight bales.

Table 19.- Negro cotton farmers: Percentage distribution of farmers by ginning costs paid, by parishes, 1952

		Record of ginning charges													
		Farmers				reporting ginning cost per bale separately 1/									
		Percent		Percent		Percent		Percent		Percent		Percent		Percent	
		to		to		to		to		to		to		to	
		6.49		6.99		7.49		7.99		8.49		8.99		9.49	
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Table 20.- Negro cotton farmers: Distribution of farmers by various places of storage, sampling agencies, and types of weights, by parishes, 1952

Parish	Place of storage				Agency taking sample				Type of weight			
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
East												
Carroll	45	---	1	---	44	---	1	---	44	---	1	---
Franklin	58	---	1	---	57	---	1	---	57	---	1	---
Madison	53	6	---	6	41	6	---	6	41	6	---	6
Richland	50	---	---	5	45	---	---	5	45	---	---	5
Tensas	46	---	1	---	45	---	1	---	45	---	1	---
Total	252	6	3	11	232	6	3	11	232	6	3	11

Drayage Fee and Charge for Storage

Thirty-seven of the 252 farmers reported they were charged a drayage fee of 25 cents to \$1.00 per bale, for the hauling of 235 bales from the gin to a warehouse. The average number of bales hauled was about 6 per farmer, with the average bale charge 41 cents.

Storage charges usually cost farmers about \$1.08 per bale for the first month of storage. Sixty-five cents of this total charge was assessed by the warehouse for sampling and weighing, issuing the warehouse receipt, and other services. The remaining 43 cents included insurance charges. After the first month the farmer was charged 43 cents per bale for each month of storage. Several warehouses reported farmers were able to obtain a re-sample of their bale for an additional fee of 25 cents. This was done when a farmer misplaced or damaged his original sample.

One hundred twenty-eight farmers reported storage charges on 891 bales of cotton. Bale charges ranged from \$1.08 to \$2.80. The average charge per bale was \$1.14. Eighty-one percent sold all their cotton during the first month of storage, whereas 19 percent held all cotton in storage longer than one month before marketing. The number of bales marketed the first month was 680, while 211 bales still remained in storage. Average number of bales sold by farmers who marketed all stored cotton during the first month, was about 6. The average number of bales per farmer left in storage longer than one month by those producers engaging in this practice, was about 9.

SUMMARY OF COSTS OF HARVESTING, TRANSPORTING, GINNING, AND STORING COTTON

To pick, haul, gin, and store one bale of cotton cost Negro farmers an average of approximately \$60.70 (table 21). The range in harvesting and marketing charges can be attributed in part to the following factors:

- (1) Hired pickers in some cases consisted of relatives and friends and picked cotton at a lower wage than other pickers.
- (2) Transportation cost was often based on distance from farm to gin.
- (3) Ginning charges varied as did total ginning cost (according to the weight of the lint bale).
- (4) Drayage fees among ginners varied because of distance from gin to warehouse.

Table 21.- Negro cotton farmers: Cost of harvesting, transporting, ginning, and storing one bale of cotton, 1952

Item 1/	Cost per bale 2/	
	Range	Average 3/
	Dollars	Dollars
Picking 4/	21.00 - 60.00	44.13
Transportation 5/	.75 - 4.00	2.52
Ginning 6/	9.19 - 14.80	12.50
Drayage	.25 - 1.00	.41
Storage	1.08 - 2.80	1.14
Total		60.70

1/ Excludes cotton sacks ranging from 5 feet to 9 feet, purchased by 59 percent of the farmers at an average price of \$2.89 per sack.

2/ Bale lots were computed on a bale basis.

3/ Computed on a weighted basis.

4/ Includes only hired labor.

5/ Includes only seed cotton hauled to gins by hired transportation.

6/ Includes bagging and ties.

MARKET OUTLETS

Type of Buyers

Cotton buyers in local communities perform an important function in the marketing system by furnishing a ready cash market for cotton. In many cases they are the individuals who grade and determine its cash value within general market limits. Information on the type of buyer was secured from 215 of the 252 farmers (table 22).

Sixty-three percent of the farmers sold cotton to a local cotton merchant exclusively, who purchased cotton on his own account and in several cases assembled small lots into "even running" 4/ lots for resale to larger cotton merchants.

Seven percent sold all their cotton to ginner buyers who bought on an independent basis.

Four percent, who had obtained production supplies and groceries on extended credit from supply merchants, patronized this type of buyer exclusively.

Supply merchant ginner, who also granted farmers extended credit, bought all cotton marketed by 2 percent of the farmers.

One percent of the farmers patronized representatives of central market cotton firms. This type of buyer usually received a salary or commission from a large firm located in a central market, for performing the buying service.

4/ Refers to bales of relatively uniform grade and sample.

Table 22.- Negro cotton farmers: Distribution of farmers by type of marketing agencies to which cotton was sold, by parishes, 1952

Parish	Farmers reporting sales to specified marketing agencies									
	Number	Local cotton merchant	Ginner	Supply merchant	Supply	Representative of central market cotton firm	Landlord	Ginner and local cotton merchant	Supply merchant and local cotton merchant	Ginner and supply merchant
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
East Carroll	39	20	1	---	---	1	---	2	---	15
Franklin	50	32	4	---	---	---	1	2	---	7
Madison	44	35	---	1	---	---	1	---	---	7
Richland	49	35	3	---	---	1	---	1	1	8
Tensas	33	13	7	8	---	---	---	1	---	3
Total	215	135	15	9	4	2	2	6	1	40

Landlords bought bales of cotton from 1 percent of the farmers. In each case reported, the farmer wished to sell his cotton immediately, whereas his landlord thought that he should market his cotton at a later date. An agreement was reached with the landlord buying the farmer's share of cotton, paying him the market price.

Four percent sold their cotton to a combination of buyers. The remaining 18 percent of farmers did not know the type of buyer patronized, since marketing was handled by their landlord.

Number of Buyers Interviewed

The number of buyers interviewed by most farmers prior to the sale of their cotton was determined principally by the number of buyers active in the local market. Some farmers sold to the first buyer interviewed, making no effort to obtain other bids.

Of the 178 farmers reporting, 28 percent talked to only one buyer prior to sale. Seventy-two percent obtained price offers from 2 to 8 buyers. The average number of buyers interviewed prior to sale was a little more than 2 (table 23).

An additional 46 farmers did not have information concerning the number of buyers from whom price offers were obtained, since their landlord handled the sales. The remaining 28 farmers interviewed had either placed all their cotton under loan or had not contacted any cotton buyers.

Number of Buyers Patronized

Forty-eight percent of the 178 farmers reporting the number of buyers interviewed prior to sale, sold their cotton to one buyer exclusively, whereas 52 percent sold to 2 to 4 buyers. The average number of buyers patronized was 2. Reasons for patronizing particular buyers will be discussed later.

Those producers who patronized one buyer exclusively sold an average of 18 bales, whereas the average number of bales sold by those who sold to more than one buyer was 7. Those farmers dealing with 1 buyer exclusively sold 70 percent of all cotton marketed by the 178 reporting farmers; 30 percent of the cotton was sold by farmers selling to more than 1 buyer (table 24).

Table 23.- Negro cotton farmers: Distribution of farmers by number of buyers interviewed prior to the sale of cotton, by parishes, 1952

Parish	Number of buyers interviewed				
	1	2	3	4	5
Farmers reporting:	Number	Number	Number	Number	Number
East Carroll	24	1	12	3	---
Franklin	43	17	7	4	---
Madison	36	8	21	1	1
Richland	39	6	14	5	3
Tensas	36	17	5	---	1
Total	178	49	59	13	5
				3	1
					1

Table 24.- Negro cotton farmers: Distribution of farmers by number of buyers patronized and number of bales sold, by parishes, 1952

Parish	Number of buyers patronized and number of bales sold									
	One buyer		Two buyers		Three buyers		Four buyers		Total	
	Range	Total	Range	Total	Range	Total	Range	Total	Range	Total
	Number	Bales	Number	Bales	Number	Bales	Number	Bales	Number	Bales
East Carroll	24	1-185	345.0	1-32	113.0	3-13	20.0	---	---	---
Franklin	43	1-37	293.0	1-13	70.0	2-11	25.0	9	9	9.0
Madison	36	1-25	287.0	1-14	135.5	1-10	55.0	---	---	---
Richland	39	1-26	308.0	1-8	82.0	1-16	50.0	---	---	---
Tensas	36	1-34	298.0	1-20	82.0	3	3.0	---	---	---
Total	178	1-185	1,529.0	1-32	482.5	1-16	153.0	9	9	9.0

Factors Determining Choice of Buyers

One hundred seventy-eight of the 252 farmers had sold all or part of their 1952 production at the time they were interviewed. This figure does not include 46 farmers whose landlords handled the sales. Of the 178 farmers, 79 percent stated they selected the buyer who offered the highest price for their cotton (table 25). Seven percent reported that they were advised by their landlord to sell to a particular buyer. Four percent of the farmers said the granting of extended credit by buyers dictated choice. Convenience was the primary consideration in selecting buyers by 3 percent of the farmers. Two farmers in this group said the buyer they patronized was the only nearby one available. Three percent patronized no particular buyer, since it was thought that all buyers offered about the same price. A little less than 2 percent of the farmers reported they selected a certain buyer due to their "custom" to patronize this buyer. Friendship and confidence in buyers were given by a little more than 2 percent of the farmers, in selecting buyers.

One hundred sixty-five of all farmers interviewed had changed cotton buyers since 1948. Ninety-six percent of the 165 changed because they believed that the new buyer offered a better price. Three farmers in this group reported that at one time their landlord sold their cotton to a buyer of his choice, but for the past 2 years these 3 farmers had sold their own cotton to the buyer of their selection. Two other farmers in the same category at one time marketed their own cotton to the buyer of their selection, but for the 1952 crop they let their landlord sell. They believed this change gave them a better price. Three percent of the farmers changed buyers for convenience as most of them had moved to another locality. The remaining 1 percent changed because of a misunderstanding over the grade of cotton sold to the buyer.

Prices Received for Cotton

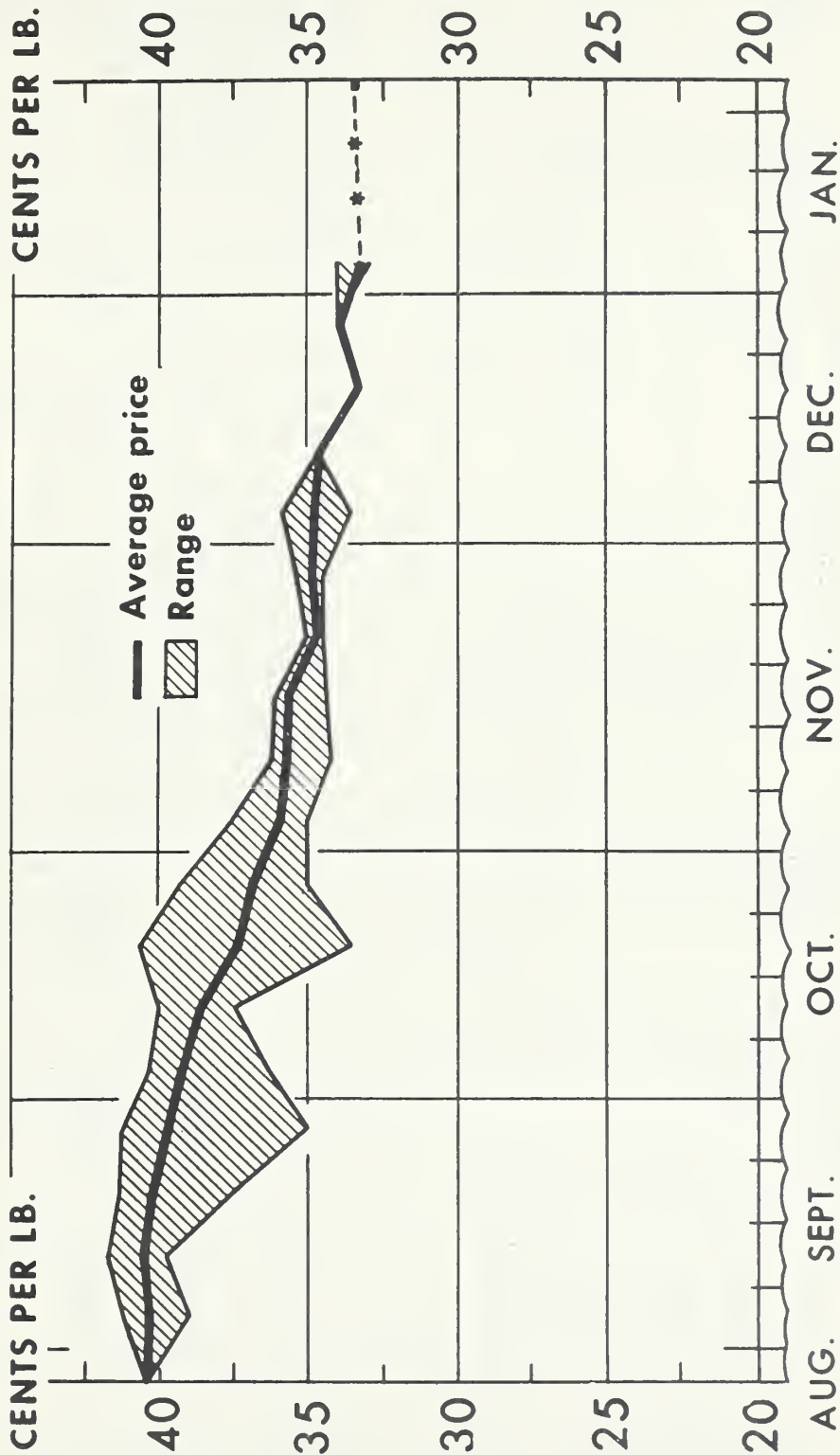
Two thousand eight hundred sixty-nine bales or 77 percent of the 3,716 bales produced were sold by the 252 farmers whereas 732 bales or 20 percent of the total were placed under loan. Three percent of the total bales had not been sold or placed under loan at the time farmers were interviewed. One hundred thirty-three of the farmers with records of some sales, sold 897 bales ranging in weight from 314 to 694 pounds. The average bale weighed about 527 pounds. The average season price paid these farmers from the week of August 25 to 30, 1952, through the week of January 19 to 24, 1953, was 38.37 cents per pound. The seasonal range of weekly prices for the above period was from 33.25 to 41.50 cents per pound of cotton (fig. 1).

From August 25 to 30 through September 15 to 20, weekly average prices paid to farmers were above 40.00 cents per pound. During this period 24 percent of the 897 bales were sold, whereas the weekly average prices for the remaining 76 percent of the total bales ranged from 33.25 to 39.78 cents per pound. This indicates that decrease in gross returns to some farmers were due to the time of sale. Although the weekly average prices fluctuated slightly throughout the season, the price trend was downward.

For Negro Farmers in Louisiana

COTTON PRICES, ALL GRADES

Weekly Weighted Average and Range, August 25, 1952 - January 24, 1953



DATA OBTAINED DIRECTLY FROM FARMERS IN SAMPLE * NO DATA

U. S. DEPARTMENT OF AGRICULTURE

NEG. 1392-55 (1) AGRICULTURAL MARKETING SERVICE

Figure 1

Table 25.-- Negro cotton farmers: Distribution of farmers by factors determining choice of buyer, when marketing cotton lint, by parishes, 1952

Parish	Farmers reporting reason for choice of buyer									
	: Offered:		: Buyer granted:		: All buyers:		: Convenience:		: Friendship:	
	: Number	: Number	: Landlord's choice	: extended credit	: choice	: same price	: offered	: Custom	: in	: Confidence
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
East Carroll	24	23	---	---	---	---	1	---	---	---
Franklin	43	33	3	---	---	2	1	2	1	1
Madison	36	30	4	---	---	1	---	1	---	---
Richland	39	33	4	---	---	---	2	---	---	---
Texas	36	21	1	7	---	2	---	---	---	---
Total	178	140	12	7	6	5	4	3	1	1

Table 26.-- Negro cotton farmers: Distribution of farmers by factors determining time of sale of cotton, by parishes, 1952

Parish	Reason for selling									
	: To meet:		: Price considered:		: Convenience:		: To meet immediate:		: To meet immediate:	
	: Farmers reporting:	: obligations:	: Landlord's choice:	: most favorable:	: Custom:	: Convenience:	: obligations:	: price considered:	: most favorable:	: most favorable:
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
East Carroll	40	21	11	6	---	---	---	2	---	2
Franklin	54	31	10	9	2	1	1	1	1	1
Madison	44	22	6	6	2	---	---	8	---	8
Richland	50	25	9	9	---	---	---	7	---	7
Texas	42	33	1	4	---	---	---	4	---	4
Total	230	132	37	34	4	1	---	22	---	22

Two of the 133 farmers sold 256 and 710 pounds of seed cotton respectively, to ginner buyers at 12 cents per pound. Reason for this type of sale was the lack of enough seed cotton for the farmers to make up a bale lot for ginning. The ginner usually mixed the purchased cotton with other small lots of seed cotton bought from other farmers. Cotton was ginned as soon as the ginner had obtained a bale lot.

Special attention was given to local cotton merchants and ginner buyers, since 84 percent of all farmers reporting the type of buyer patronized sold their cotton to one of these two types. Weekly average prices paid to farmers by local merchants and ginner buyers were compared with the number of bales sold to each of these types of buyers (fig. 2).

Of the 897 bales sold, 779, or 87 percent, were sold to local merchants. Sixty-nine bales, or 8 percent of the total, were sold to ginner buyers. Various other types of buyers were patronized for the sale of the remaining 49 bales, or 5 percent of the cotton sold.

The average season price paid farmers for cotton by local cotton merchants was 38.50 cents per pound, compared to 37.95 cents paid by ginner buyers. For the season, ginner buyers paid higher prices than local cotton merchants for only 10 bales of cotton, or 14 percent of all bales sold to ginner buyers. The remaining 86 percent of the 69 bales were bought at slightly lower prices than paid by local cotton merchants during the corresponding week. It has not been possible to allow for differences in quality in making this comparison. Throughout the season prices paid by both types of buyers showed a downward trend.

The number of bales sold to local merchants increased from the week of August 25 to 30 through the week of September 29 to October 4. For the remainder of the season the average number of bales sold each week fluctuated widely, but the trend was downward. Many farmers, who had not sold all their cotton during the first part of the season, placed it under loan, as the market price showed a constant trend downward.

Farmers who patronized ginner buyers often were small producers marketing their cotton soon after it was ginned and making little use of the Government loan program. From the week of September 1 to 6 through the week of September 29 to October 4, farmers who sold cotton to ginner buyers marketed 62 percent of the 69 bales sold to this type of buyer. Extended credit granted by ginners was responsible for several farmers' selling their cotton soon after it was ginned.

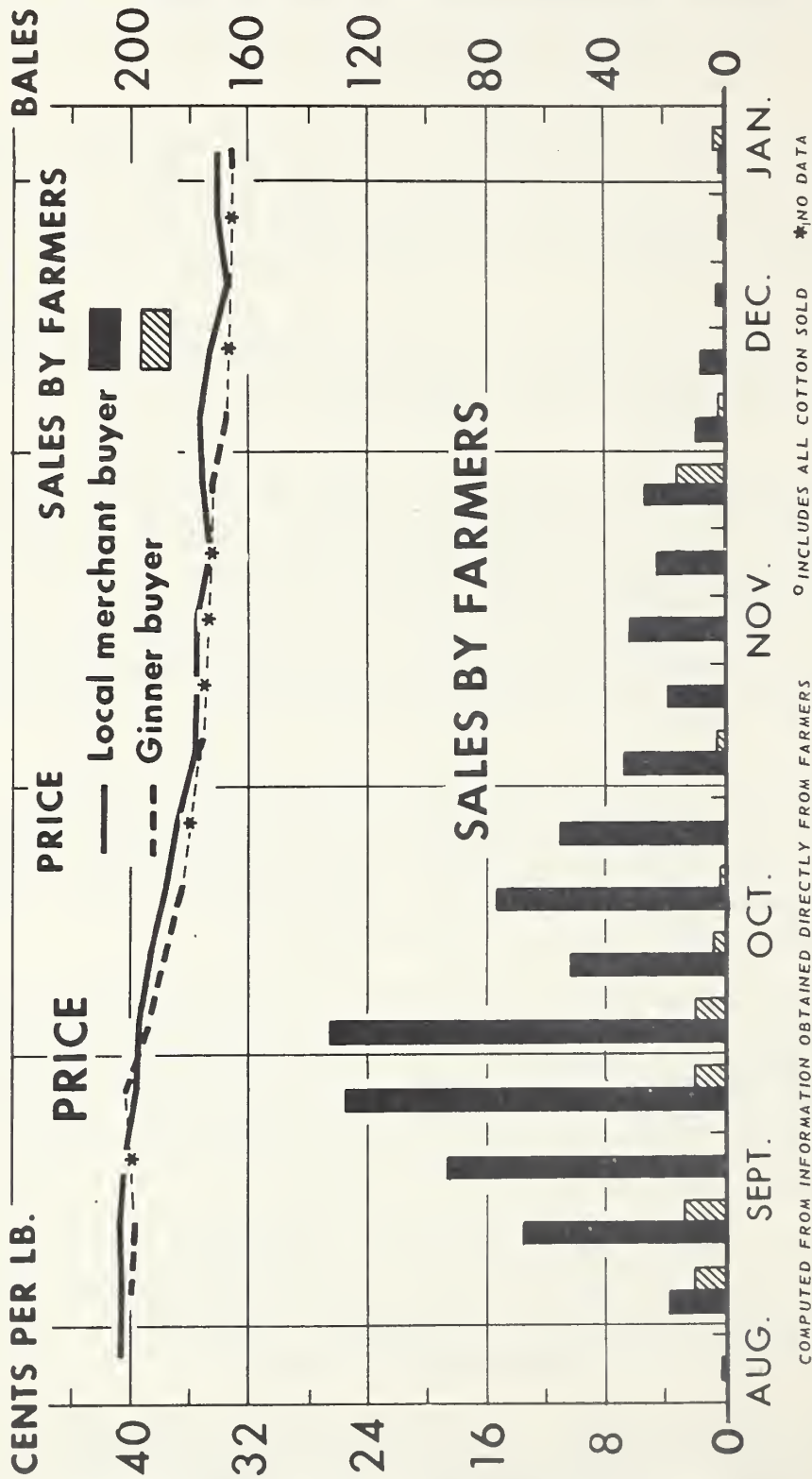
Factors Determining Time of Marketing Cotton

The three most important factors determining the time of sale of cotton by farmers interviewed were: (1) Urgency of obligations, (2) landlords' choice, and (3) price considered most favorable.

Fifty-seven percent of 230 farmers reporting, were influenced in the sale by the need for money to meet immediate obligations (table 26). Several farmers in this group were in need of cash in order to meet notes on borrowed money. Sixteen percent of the farmers depended upon their

COTTON PRICES RECEIVED°, BY TYPE OF BUYER AND BALES SOLD

Weekly Weighted Average Prices, August 25, 1952 - January 3, 1953



COMPUTED FROM INFORMATION OBTAINED DIRECTLY FROM FARMERS

° INCLUDES ALL COTTON SOLD *NO DATA

Figure 2

landlord for selecting the time of sale, whereas 15 percent sold their cotton at the time they believed that they would receive the most favorable price. Ten percent were guided by both the need of money for immediate obligations and favorable prices. The remaining 2 percent were influenced by custom or convenience.

Low market prices and the need of money for immediate obligations were important reasons determining the time of placing cotton under loan. Most farmers stated that they were in need of immediate cash, but found the market price too low. Therefore, by placing cotton under loan, they were able to obtain funds while there was a possibility the market value of their cotton might increase.

The time lag between ginning and cotton sale ranged from 1 to 84 days for 213 farmers. The average number of days prior to sale was 23.

Forty-eight farmers placed cotton under loan, from 4 to 77 days after it was ginned. The average time length between ginning and placing cotton under loan was 46 days per farmer.

Distance from Farm to Buyer and Loan Outlet

Weekly average prices received by farmers from local cotton merchants and ginner buyers were compared with the distance from various farms to the particular buyer (fig. 3).

Distance from farm to buyer, for those farmers who sold cotton to local cotton merchants, ranged from 1/2 to 60 miles. The average distance to this type of buyer, who paid the highest average season price, was about 13 miles. Distance from farm to ginner buyer, who paid a slightly lower average season price, ranged from 1/2 to 35 miles. The average distance was about 14 miles per farmer.

The distance from farm to loan outlets ranged from 3 to 65 miles, with the average distance being 28 miles per farmer. Sixty-seven percent of the farmers reporting distance from farm to loan outlets had cotton placed under loan in warehouses located from 3 to 21 miles from their farm. Thirty-three percent placed cotton under loan in warehouses situated from 22 to 65 miles from their farm.

Cotton Under Loan

An additional outlet for providing cash for immediate obligations was through the Government cotton loan program, which guaranteed farmers a loan of 90 percent of parity.

Thirty-seven farmers had records of 353 bales of cotton placed under loan. The average loan received by farmers from the period August through December 1952 was 33.14 cents per pound (fig. 4). The weekly range was from 30.29 to 36.00 cents per pound. Differences in loan rates arise because of quality differences. Number of bales under loan ranged from 1 to 29 bales per farmer. The average number of bales under loan per farmer was 9.

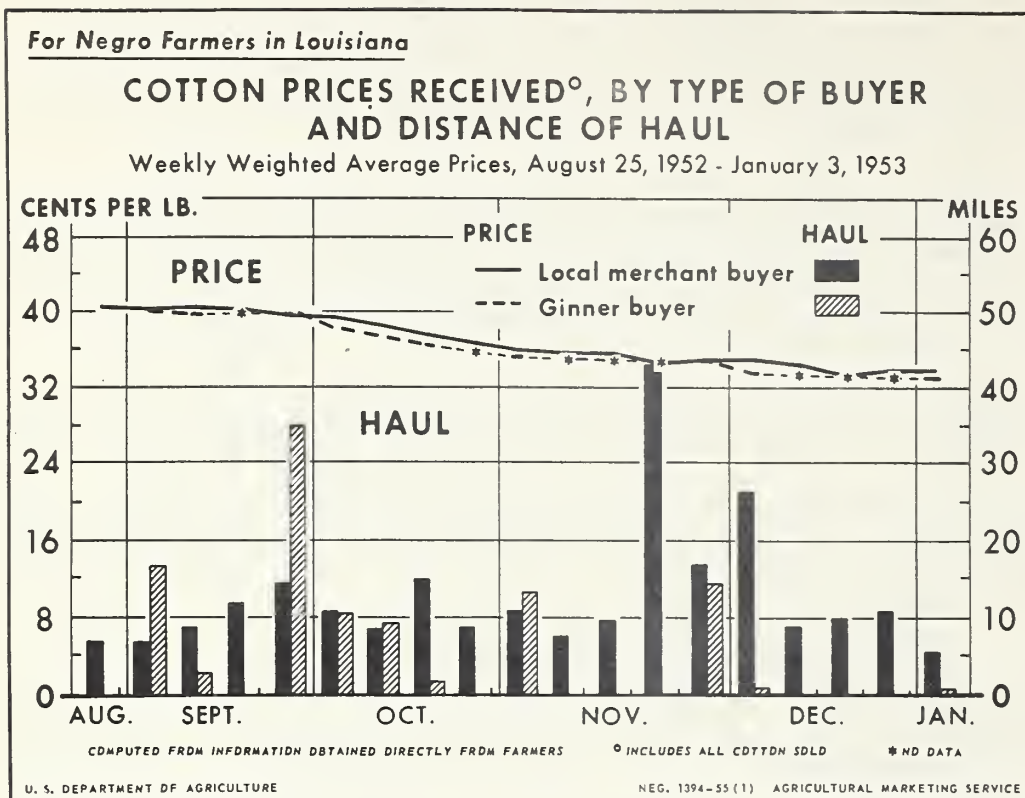


Figure 3

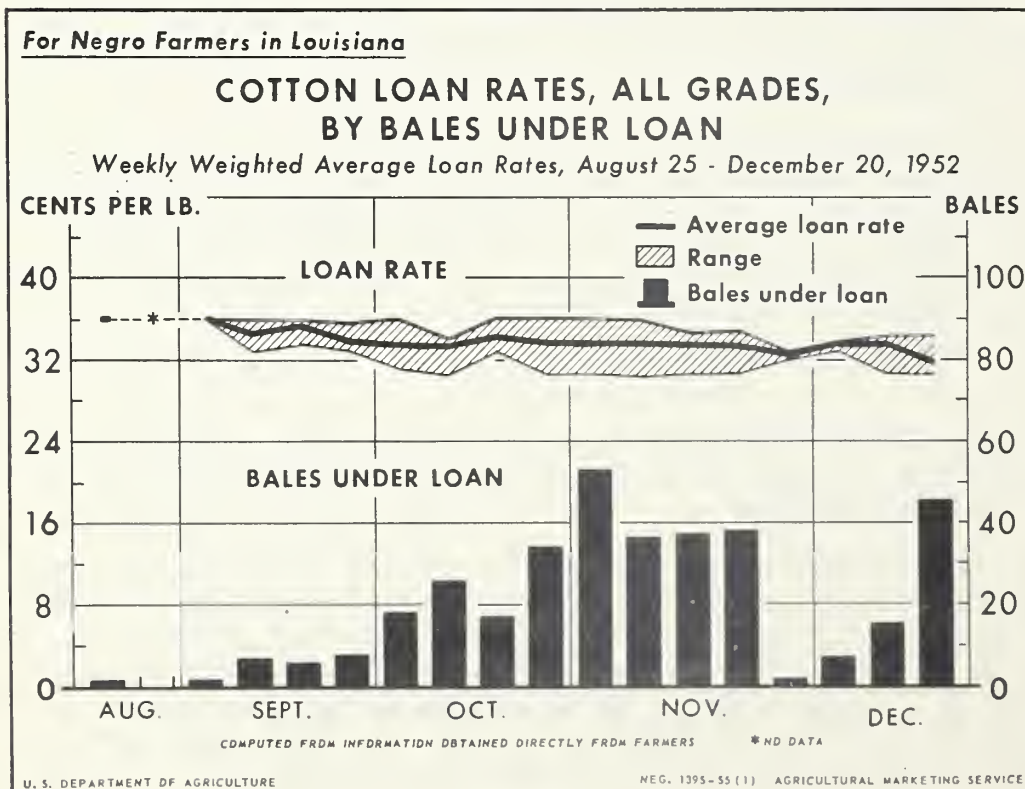


Figure 4

From the week of August 18 to 23 through the week of October 27 to November 1 the number of bales placed under loan had an upward trend. During this period the market price had a downward trend (fig. 1). For this 11-week period, 49 percent of the 353 bales were placed under loan. The remaining 51 percent were placed under loan during the following 7-week period as market prices continued to slide downward.

SOURCE OF QUALITY AND MARKET INFORMATION

Although quality is an important factor in determining the price received for cotton, all farmers interviewed said that they could not accurately judge the grade and staple of their cotton.

Farmers depended on the free Government classification service and local cotton buyers for the grading of their cotton. Thirty-three percent of the farmers depended on the classification service exclusively, whereas 29 percent relied on buyers for classifying their cotton according to grade and staple length. Twenty-six percent depended on both the classification program and cotton buyers for quality determination. The remaining 12 percent did not know who classified their cotton, since their landlord marketed all of it.

Ninety-seven percent of the 252 farmers secured information on current market prices, while 3 percent used no marketing information when selling their cotton. Of the farmers using current price information, 28 percent secured information from local cotton buyers exclusively, whereas 19 percent depended on their landlord for obtaining all current marketing information. Classing cards received from the Winnsboro classing office and the radio were used exclusively by 2 and 1 percent of the farmers, respectively. The remaining 50 percent of farmers obtained information from 2 to 5 different sources. Included in this group were 48 percent of the farmers who obtained part of their market information from cotton buyers. One farmer reported that his county agent furnished him with current price information for part of his marketed cotton.

Smith-Doxey Classification Service

The Smith-Doxey Act provides free classification of cotton and market news services for organized groups of producers. Groups of farmers organized to improve cotton quality may apply to a United States Department of Agriculture Classing Office for free classification. Market news is also available for posting at gins and other conspicuous places, so that all farmers may know what their cotton is worth in the local market. Spot prices which include differences for grades and staple lengths in central markets are also furnished by mail to all approved groups.

Under the Smith-Doxey classification program, bonded samplers at the local gins cut a sample from each ginned bale and send it directly to the classing office. When the sample arrives it is classified by Federal classers, according to grade and staple length. The grade, staple, and

lean rate of the bale represented by the classified sample, are recorded on a green card and mailed directly to the owner of the bale. If the farmer believes that the classification is not correct, he can have it reclassified for a fee of 25 cents.

Use of Government Free Classification Service

Seventy-eight percent of the 252 farmers knew of the Smith-Doxey free classification service, whereas 22 percent had no knowledge of this service. Of the 197 farmers who knew of the service, 149, or 59 percent had 1,951 bales of cotton classified under the program. The average number of bales classified per farmer was about 13. Twenty-nine percent of the farmers did not have any of their cotton classified under the program, whereas 12 percent could not provide information on this subject as their landlord handled these marketing arrangements.

Sixty-four percent of the farmers who had their cotton classified under the Smith-Doxey program had from 76 to 100 percent of all ginned bales so classed (table 27). Twenty-two percent had from 1 to 25 percent of their total bales classified. Eight percent of the farmers used the above service for classing 26 to 50 percent of their cotton, and 6 percent reported from 51 to 75 percent of all ginned bales classified under the Smith-Doxey Act.

The principal reason given by farmers for not having cotton classified under the Smith-Doxey Act was that they were not members of a cotton improvement association. Yet the parishes surveyed were organized on a parish basis. A list of all farmers in each parish was prepared for the 1951 season.

No list was required for the 1952 season, since the regulations of the Winnsboro classing office provided that "organized groups in a county whose members during the preceding season submitted for classification samples representing the entire ginnings or as much as two-thirds of the total ginnings in the county may submit a short form application." This short form application required no list of members. Since no list was necessary for 1952, some farmers may have believed that they were no longer members. A few farmers did not submit samples, since the buyers who bought their cotton did not buy it on the quality basis given by the Smith-Doxey classification service.

SOURCE OF FINANCE FOR PRODUCING AND MARKETING COTTON

Ninety percent of the 252 farmers utilized some source of credit for financing the production and marketing of cotton. Ten percent needed no financial aid from outside sources. Borrowed funds obtained by 95 percent of those using credit were used for production purposes exclusively, whereas 5 percent secured finance for both production and marketing of cotton.

Total sums borrowed by 224 farmers ranged from \$25 to \$40,000. The amount borrowed per farmer was less than \$1,000 for 77 percent of these farmers, whereas 23 percent borrowed from \$1,000 to \$40,000 (table 28). The farmer who borrowed \$40,000 secured his loan from a commercial bank.

Table 27.- Negro cotton farmers: Distribution of farmers by percentage of bales of cotton classified under the Smith-Doxey classification service, by parishes, 1952

Parish	Farmers interviewed									
	Farmers using Smith-Doxey service					Bales classified				
	Total					Percentage of total bales classified				
	Number	Number	Number	Number	Average	1 - 25	26 - 50	51 - 75	76 - 100	Number of farmers
East Carroll	45	22	528	2.4		3	1			18
Franklin	58	45	414	9.2		7	5	4		29
Madison	53	37	360	9.7		12	6	4		15
Richland	50	10	110	11.0		10				
Tensas	46	35	539	15.4		1		1		33
Total	252	149	1,951	13.1		33	12	9		95

Table 28.- Negro cotton farmers: Distribution of farmers by sum borrowed, by parishes, 1952

Parish	Farmers borrowing funds																	
	\$1 to \$250									\$250 to \$500								
	Number									Number								
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
East Carroll	42	11	7	4	5	5	1	2										
Franklin	53	9	15	12	3	5	4	1	2									
Madison	39	11	6	10	3	4												
Richland	44	12	10	13	3	1	1	1										
Tensas	46	11	8	14	7	4	1											
Total	224	54	46	53	20	18	13	6	2	5								

1/ Includes extended credit.

Information for two farmers who obtained credit from their landlord was excluded, since they did not have information showing the amount of credit granted or gross interest rate charged to them. Their landlord had furnished them production supplies on extended credit, charging each cost to the farmer's account. At the end of the marketing season their landlord gave them a statement of the total amount owed.

Ninety-six percent of the 224 farmers obtained funds from one source exclusively, while 4 percent secured funds from more than one source. The principal source of credit was the landlord, who provided credit for about 28 percent of the farmers. Ninety-five percent of the farmers who obtained funds from their landlords patronized them exclusively (table 29).

Sum Borrowed, Gross Interest Rate 5/and Length of Loan

The average sum borrowed for production loans per farmer was \$783, compared to \$1,883 for those borrowing for marketing purposes. Farmers obtaining credit for production paid an average gross interest rate of 8.3 percent, whereas the average gross interest rate for marketing funds was 12.4 percent. The average lengths of production and marketing loans were 6 and 3 months, respectively. This tends to indicate that the 12 farmers who secured loans for marketing purposes borrowed a larger sum, paid higher gross interest rates, and liquidated their loans in a shorter period of time, than loans obtained by farmers for production purposes (table 30).

The highest gross interest rates, ranging from 6 to 25 percent and averaging about 13 percent, were paid by those farmers who borrowed funds from their landlord. Average gross interest rates paid by the 6 percent of producers who obtained credit from supply merchants was a little more than 12 percent, whereas the average rate paid by the 14 percent who secured credit from supply merchant ginners was just over 10 percent. The lowest rates were charged by the Farmers Home Administration and Production Credit Associations, which averaged about 4.5 percent in each case. Thirty-nine percent of the farmers patronized these agencies exclusively.

Twelve farmers reported paying no direct interest charges while 11 did not know the interest rates they were charged. Six of the 12 farmers who paid no direct rates secured credit from supply merchant ginners, whereas five obtained funds from their landlord. The other farmer borrowed money from a friend. The reason given by one ginner for not charging a particular farmer interest, was that the farmer was a good customer, and was certain to pay his loan as soon as his cotton was ginned.

5/ Gross interest includes not only pure interest, but also payments for risk, and for services in connection with the making and supervising of loan contracts.

Table 29. - Negro cotton farmers: Percentage distribution of farmers by source of credit for production and marketing of cotton, by parishes, 1952

		Farmers interviewed													
		Borrowed funds													
		Percentage borrowing from													
Parish	Total	Land-lord	F H A	Pro-duction	Supply mer-chant (ex-tended credit)	Com-mercial bank	Indi-vidual	Land-lord & com-mercial bank	Supply mer-chant ginner and F H A	Supply mer-chant ginner and P C A	Supply mer-chant ginner and indi-vidual	Supply mer-chant ginner and indi-vidual	Supply mer-chant ginner and indi-vidual	Supply mer-chant ginner and indi-vidual	Supply mer-chant ginner and indi-vidual
	Number	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
East															
Carroll	45														
Franklin	58	42	93.3	38.1	23.8	14.3	2.4	9.5	2.4	9.5	2.4	9.5	2.4	9.5	2.4
Madison	53	53	91.4	28.3	7.5	26.4	9.4	5.7	9.4	5.7	9.4	5.7	9.4	5.7	9.4
Richland	50	39	73.6	28.2	30.8	15.4	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1
Tensas	46	46	100.0	4.3	37.0	8.6	43.5	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Total	252	224	88.9	26.3	20.5	18.7	13.8	6.3	5.8	4.0	.8	.5	.5	.5	.5

Table 30. - Negro cotton farmers: Sum of loan, interest rate, and length of loan, by source of credit, 1952 1/

Source of funds	Sum borrowed						Gross interest rate						Length of loan					
	Production			Marketing			Production			Marketing			Production			Marketing		
	Range			Range			Range			Range			Range			Range		
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Months	Months	Months	Months	Months	Months
Landlord	25 - 2,000	325	70 - 5,000	1,023	6-25	13.2	6-25	14.8	6-8	6	2-7	3						
Supply merchant ginner	27 - 1,500	408	25 - 50	42	1-25	10.3	8	8	6-8	6	1-6	3						
Supply merchant (extended credit)	55 - 4,000	737	---	---	8-25	12.5	---	---	6-8	6	---	---						
Individual	82 - 800	450	311	311	8-15	9.2	10	10	6-12	7	2	2						
Commercial bank	325 - 25,000	2,180	15,000	15,000	6-10	7.2	7	7	3-8	6	4	4						
Production Credit Association	303 - 3,000	873	---	---	3-6	4.6	---	---	6-7	6	---	---						
Farmers Home Administration	150 - 3,500	1,032	---	---	4-5	4.5	---	---	6-12	6	---	---						
Total	25 - 25,000	783	25 - 15,000	1,883	1-25	8.3	6-25	12.4	3-12	6	1-7	3						

1/ Includes extended credit.

Five of the 11 farmers, who did not have information concerning the gross rate charged to them, received credit from supply merchant ginners. Four received funds from their landlord, and the remaining two obtained credit from supply merchants.

Of the 224 farmers who obtained credit from various sources, 23 sold cotton to the individual providing credit. These 23 farmers sold from 17 to 100 percent of all ginned bales to the individual who granted them credit. The average quantity sold per farmer was 88 percent of all ginned bales. Two of these farmers not only sold cotton to the individual granting them credit, but sold other farm commodities to the same buyer, one farmer selling sweet potatoes, and the other soybeans.

Finance Problems

All farmers were asked if they had any difficulty in borrowing money. Twenty, or 8 percent of all farmers interviewed, declared that they had had difficulties. Eleven of the 20 said that the prospective lender thought they already had enough outstanding obligations.

Seven farmers disliked the policies of either the Farmers Home Administration or Production Credit Associations in extending loans, since they were unable to secure loans from these agencies. The other two farmers reported that their landlord was their only source of funds. As part of their rental agreement they were required to secure such loans as they needed from their landlord even though they were dissatisfied with the interest rate charged.

MARKETING COTTONSEED

Cottonseed was a byproduct of considerable value to the producers interviewed. Two hundred fifty-one of the 252 farmers depended mainly on cash income from the sale of cottonseed to pay ginning costs, and in a few cases to pay some harvesting costs. All ginning charges were paid in cash by one farmer who returned all cottonseed to the farm to be used as livestock feed. Several farmers who borrowed funds to produce their crop had their first bales of cotton obligated as payment of debts. This meant that the income obtained from the sale of cottonseed was their only source of cash income, until enough bales were sold to liquidate these obligations.

Type of Buyer

Ninety-eight percent of the 251 farmers sold at least part of their cottonseed to the ginner who handled their cotton, whereas 2 percent did not know who bought their product.

Seventy-five percent of those selling to ginners sold all cottonseed to the ginner at time of ginning, while 25 percent sold only part. The portion not sold to ginners was returned to the farm by 23 percent of the farmers to be used as planting seed for the 1953 crop. A portion of

cottonseed was also returned to farms by 1 percent of the farmers, to be utilized as livestock feed during the winter. An additional 1 percent, who did not market their entire supply of cottonseed at the gin, returned some to their farm to be used for planting and livestock feed.

Determining Weight of Cottonseed

One hundred ninety farmers, or 75 percent of all farmers interviewed, had records of their cottonseed sales. These records indicated that the farmers sold from 425 to 37,000 pounds of cottonseed to ginner. The average weight of seed sold per farmer was 6,747 pounds or 3.4 tons. Weight of cottonseed returned to the farm by 62 farmers, for planting purposes, ranged from 160 to 2,865 pounds, and averaged 882 pounds per farmer. Cottonseed used to supplement livestock feed by seven farmers ranged from 680 to 4,150 ^{6/} pounds, which averaged 1,557 pounds for those few producers engaged in this practice.

The gin weight of the farmers' cottonseed was determined principally by one of the following methods:

(1) Most gins were equipped with scales for weighing cottonseed before seeds were conveyed to the bin. The actual weight of each farmer's lot of cottonseed was determined immediately after ginning of his bale lot of seed cotton.

(2) The weight of a few farmers' cottonseed was determined by the weight of the seed cotton less the gross weight of the bale. Specifically, the gross weight, which includes the seed cotton and hauling vehicle, was obtained before the seed cotton was removed from the vehicle. After the seed cotton was removed from the vehicle, the weight of the empty vehicle, known as the tare weight, was determined. The tare weight was then subtracted from the gross weight, giving the weight of the seed cotton. As soon as the seed cotton was ginned and weighed, the weight of the lint was subtracted from the weight of the seed cotton. This calculation gave the weight of the cottonseed obtained from the bale lot.

Prices Received for Cottonseed

Ginner buyers usually sold their cottonseed to oil mills on a grade basis, although when buying cottonseed from farmers the seed was not graded. This was due partly to the difficulty in grading small lots of cottonseed sold by individual farmers. Though the farmers seldom received a premium or discount for the different grades of cottonseed sold to the ginner, they were often benefited indirectly by the premiums or discounts received by their ginner from oil mill buyers. Also, a few ginner were known to offer several dollars more for cottonseed than other ginner in the same community. The desire for additional ginning business appeared to be the principal reason for this practice.

^{6/} One farmer who sold no cottonseed, returned 4,150 pounds of cottonseed to his farm.

Farmers in East Carroll Parish sold the largest quantity of seed, which averaged about 7,983 pounds per farmer (table 31). Farmers of this parish also received the highest income from the sale of cottonseed, averaging \$155.83 per farmer. In contrast, farmers located in Franklin Parish sold the smallest quantity of cottonseed, and they received the lowest amount from the sale of seed. The average quantity sold and the average amount received were 4,860 pounds and \$92.57 respectively.

Prices received for the sale of cottonseed from 1,461 bale lots of seed cotton sold from August 18 through November 22, were computed from price information obtained from 190 farmers (fig. 5). Prices per ton were computed for each unit sold, in order to obtain weighted weekly average prices and the range of the weekly average prices.

Average prices by weeks ranged from \$65.05 to \$71.62 per ton, averaging \$69.79 per ton for the season. Throughout the season the weekly average prices had a slight trend upward. From the week of August 18 to 23 through the week of September 29 to October 4, the price trend was upward. For this same period prices received for cotton lint had a definite trend downward. From the week of October 6 to 11 through November 10 to 15 prices for cottonseed remained about \$71.00 per ton, as prices for cotton lint continued downward. During the week of November 17 to 22 the average price for cottonseed reached a high of \$71.62.

SUMMARY AND RECOMMENDATIONS

Summary

Two hundred fifty-two Negro farmers located in East Carroll, Franklin, Madison, Richland, and Tensas Parishes were interviewed for factual information concerning present functions and methods of marketing cotton and cottonseed in the Mississippi River Delta Area of Louisiana. The average farmer was about 51 years of age, and had had about $4\frac{1}{2}$ years of education.

These farmers owned or operated farms ranging from 5 to 725 acres; the average farm was about 56 acres in size. Land used for cultivation was owned by about 40 percent of the farmers, and rented by 46 percent of them. Fourteen percent of the farmers owned part and rented part of their land. Fifty-two percent of all farmers interviewed rented their cultivated land on a share basis.

Twenty-nine percent of the farmers derived part of their total farm income from employment off their farm.

Cotton had been produced from 1 to 66 years by those interviewed; the average number of years of producing cotton was about 24. In 1952 acres planted in cotton were 3 to 325, with an average of 20 acres per farm. The farmers interviewed produced 3,716 bales of cotton, or an average of about 15 bales per farm.

One variety of cotton was grown by 89 percent of the farmers, whereas 11 percent grew more than one variety. Deltapine 15 was the leading variety grown by the farmers interviewed.

Table 31.- Negro cotton farmers: Quantity of cottonseed sold to ginner and amount received by farmers, by parishes, 1952

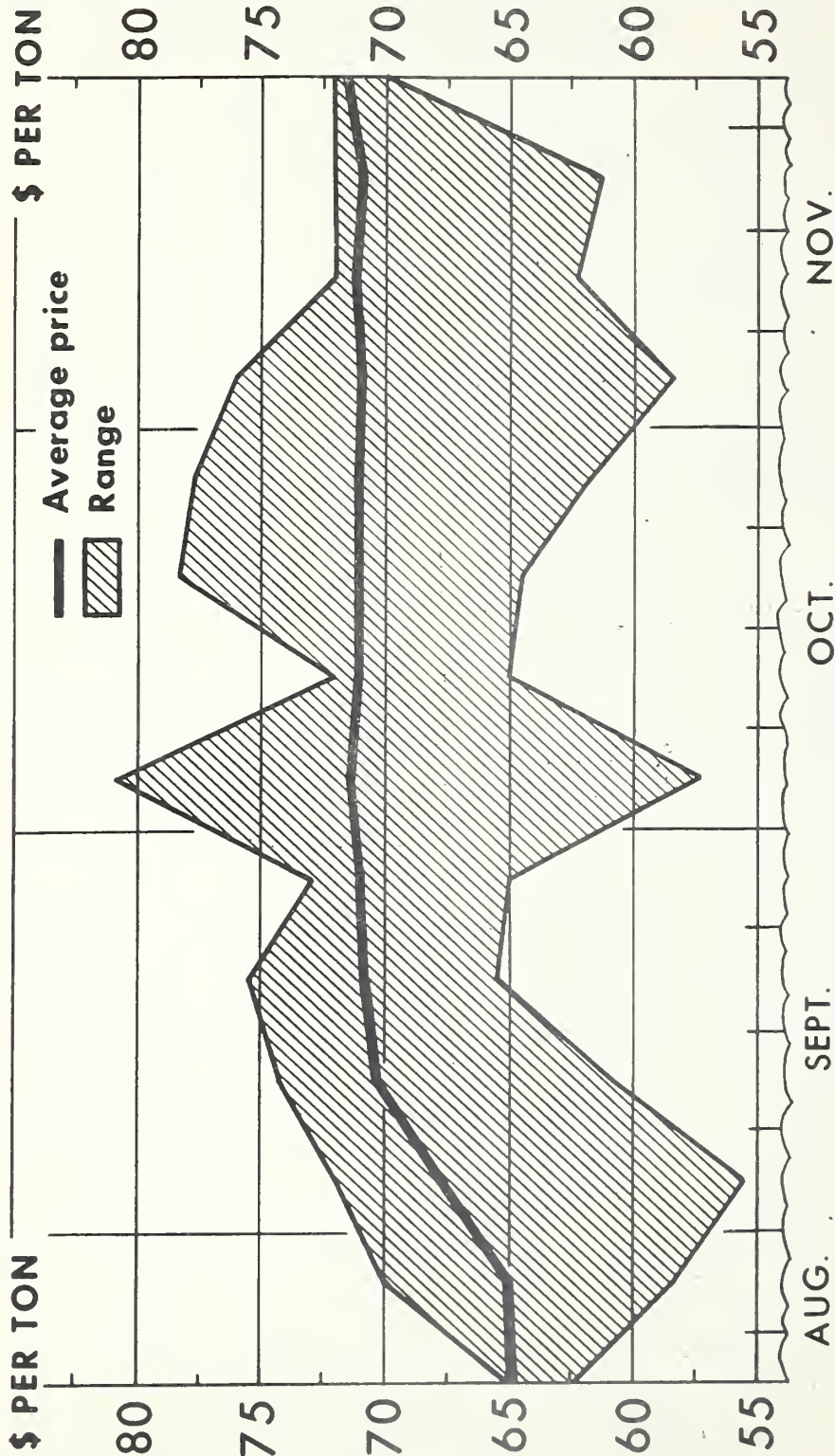
Parish:	Total:	Farmers reporting									
		Cottonseed sold		Amount received		Cost of ginning		Amount received			
		Range	Average	Range	Average	Range	Average	Range	Average	Range	Average
Number		Pounds	Pounds	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
East											
Carroll:	38	690 - 37,000	7,982.6	24.84 - 1,295.14	287.25	12.06 - 596.22	131.42	12.78 - 698.92	155.83		
Franklin:	40	755 - 19,002	4,860.5	24.54 - 666.78	170.17	12.00 - 334.06	77.60	11.72 - 332.72	92.57		
Madison :	33	640 - 26,620	7,111.0	23.04 - 857.78	230.24	10.96 - 335.85	107.52	12.02 - 528.65	122.72		
Richland:	38	425 - 24,025	6,109.2	14.87 - 845.03	221.52	9.19 - 386.56	101.21	5.68 - 458.44	120.3		
Tensas :	41	630 - 20,310	7,741.8	22.05 - 699.61	266.61	10.00 - 292.25	115.73	12.05 - 407.35	150.88		
Total :	190	425 - 37,000	6,747.3	14.87 - 1,295.14	235.08	9.19 - 596.22	106.51	5.68 - 698.92	128.57		

1/ Range refers to individual lots of seed sold to ginner.

For Negro Farmers in Louisiana

COTTONSEED PRICES, ALL GRADES

Weekly Weighted Average and Range, August 18 - November 22, 1952



DATA OBTAINED DIRECTLY FROM FARMERS IN SAMPLE

U. S. DEPARTMENT OF AGRICULTURE

NEG. 1396-55 (1) AGRICULTURAL MARKETING SERVICE

Figure 5

Ninety-four percent of all cotton on the 252 farms was picked by hand, and the remaining 6 percent was harvested by mechanical pickers. Defoliation of cotton plants was practiced, prior to picking, by about 6 percent of the farmers. Four percent mixed different varieties of seed cotton while picking.

Fifty-four percent of the 26 farmers who picked damp seed cotton sun-dried it before ginning. This damp cotton was sun-dried either by spreading it on the ground, or in a wagon or trailer, or by placing the cotton in the farm barn or cottonhouse.

Of the 252 farmers interviewed, 209 had suitable buildings for storing seed cotton. Forty-four percent of them used these buildings for storing, whereas 56 percent decided not to store cotton on the farm, although they had the facilities. The principal reasons for storing cotton at the farm were to obtain a bale lot or more for ginning, and the lack of transportation facilities for immediate hauling to the gin.

Standardized cotton sacks ranged from 5 to 9 feet long and were bought by 59 percent of the farmers. The average cost of sacks ranged from \$2.41 to \$2.97--according to the size of the sack. Thirty percent of the farmers used sacks bought the previous year, whereas 10 percent had all cotton sacks furnished by landlords. Sacks were made by a few farmers from ducking material.

In harvesting cotton, 3 percent of the 252 farmers used hired labor exclusively, and 46 percent used family labor exclusively. Both hired and family labor was utilized by 51 percent of the farmers, although most of these farmers depended primarily on family labor. Hired labor, consisting of local, commuting, and transient labor, was used mainly by the larger producers.

Hired labor used by 135 farmers reporting was paid from \$1.50 to \$5 for each 100 pounds of picked cotton. The average price paid was \$2.98 per 100 pounds. Quantity of cotton picked by hired labor per farm ranged from 100 to 396,000 pounds, and averaged 10,493 pounds. The average price paid for the harvesting of cotton by mechanical pickers was \$2.81 per 100 pounds.

Seventy percent of the farmers interviewed used their own transportation equipment to haul seed cotton to local gins, whereas 28 percent hired transportation. Two percent of the farmers relied upon both their own and hired transportation. The farm motortruck and horse and wagon were the most common means of transportation used.

The average distance from farm to gin for those farmers who used hired transportation was 10 miles. Distance probably determined the method used in hauling cotton to the gin. There was also a relationship between costs of hired transportation and distance from farm to gin, although a few farmers in each parish paid the same transportation cost for short and long hauls.

Weight of seed cotton hauled to gins averaged 1,496 pounds to a bale lot. The average cost of hired transportation was about \$2.52 per bale lot.

From 1948 through 1952 sixty-one percent of the farmers had used the same gin for ginning their cotton, mainly because the gin was located near the particular farm. Thirty-nine percent had changed gins since 1948. The six most common reasons, in rank of importance, for changing gins were:

- (1) Convenience of location
- (2) Better services offered by newly selected ginner
- (3) Better ginning facilities at newly selected gin
- (4) Better samples obtained from newly selected gin
- (5) Friendship between newly selected ginner and farmer
- (6) Had to patronize landlord's gin as part of rental agreement.

Eighty-one percent of the 252 farmers had gin tickets in their possession. Forty-four percent had tickets that itemized the cost of bagging and ties, along with ginning charges. Ginning charges for this group averaged \$8.78 per bale lot of seed cotton, and \$3.75 for bagging and ties or a total of \$12.53. Gin tickets for the remaining 56 percent gave only the cost of ginning, which included the cost of bagging and ties. The average ginning charge paid by this group of farmers was \$12.23 per bale lot.

Ninety-two percent of the farmers interviewed had all their cotton hauled to warehouses for storage, soon after the cotton was ginned. This cotton was also sold on the basis of samples and weights determined by the warehouseman. About 2 percent sold all their cotton immediately after it was ginned, based on gin samples and weights. One percent of the farmers placed part of their cotton in storage, and sold the rest immediately after it was ginned. Around 5 percent could not provide information as to where their cotton was stored or what agency took the sample and weight upon which the sale of their cotton was based, because their landlord handled the marketing of their cotton.

The average number of bales of cotton hauled from local gins to warehouses for storage was 6 per farmer, and the average drayage fee was 41 cents per bale. Storage fees for 128 farmers reporting ranged from \$1.08 to \$2.80 per bale. The average charge per bale was \$1.14. The average cost of harvesting, transporting, ginning, drayage, and storing of cotton was \$60.70 per bale.

Sixty-three percent of 215 farmers sold cotton to a local cotton merchant exclusively, and 7 percent sold their entire ginnings to ginner buyers. Supply merchants were patronized exclusively by 4 percent. Supply merchant ginner and representatives of central market cotton firms bought all cotton sold by 2 and 1 percent of the farmers respectively. Cotton was sold to landlords exclusively, by 1 percent of the farmers. Four percent sold their cotton to a combination of these buyers. The remaining 18 percent of the farmers did not know the type of buyer patronized.

Twenty-eight percent of 178 farmers reporting, obtained price information from only one buyer prior to the sale of cotton. Seventy-two percent

obtained price offers from 2 to 8 different buyers. An additional 46 farmers did not have information concerning the number of buyers from whom price offers were obtained, since their landlord handled the cotton sale. The remaining 28 farmers interviewed had either placed all their cotton under loan or had not contacted any cotton buyers.

Of the 178 farmers reporting, 48 percent sold their cotton to one buyer exclusively, whereas 52 percent sold cotton to 2 to 4 different buyers. Those farmers dealing with one buyer exclusively sold 70 percent of all cotton marketed by the 178 reporting farmers; 30 percent of the cotton was sold by those farmers who sold to more than 1 buyer.

The three most common factors, in rank of importance, for determining the choice of buyer were:

- (1) Price
- (2) Landlord's choice
- (3) Buyer granted extended credit.

One hundred sixty-five of the 252 farmers had changed cotton buyers since 1948. Most of these farmers had changed buyers because they believed that the new buyer offered a better price.

The 252 farmers sold 2,869 bales, or 77 percent of their cotton, and placed 732 bales, or 20 percent of it under loan. Three percent of the 3,716 bales produced had not been sold or placed under loan at the time the farmers were interviewed. One hundred thirty-three of the farmers had records of sale for 897 bales of cotton. These farmers received a season average price of 38.37 cents per pound of cotton sold from the week of August 25 to 30, 1952 through the week of January 19 to 24, 1953. The seasonal range of weekly average prices for the same period was from 33.25 to 41.50 cents per pound. Although the weekly average prices fluctuated slightly throughout the season, the price trend was downward.

In comparing weekly average prices paid to farmers by local cotton merchants and ginner buyers, it was noticed that 87 percent of the 897 bales sold, was sold to local cotton merchants, whereas 8 percent was sold to ginner buyers. The remaining 5 percent was sold to other types of buyers. Throughout the season prices paid by both these types of buyers showed a trend downward; the average season price paid by local cotton merchants was 38.50 cents per pound compared to 37.95 cents paid by ginner buyers.

The three most important factors, in order of importance, for determining the time of sale of cotton were:

- (1) Urgency of immediate obligations
- (2) Landlord's choice of time of sale
- (3) Price considered most favorable.

Low market prices and the need of money for immediate obligations were the principal reasons determining the time of placing cotton under loan.

The average length of time between ginning operations and actual sale or placing cotton under loan by farmers, were 23 and 46 days respectively.

The average distance from farm to ginner buyers was 14 miles compared to 13 miles from farm to local cotton merchants. The average distance from farm to loan outlets was 28 miles per farmer.

Thirty-seven of the 55 farmers who placed cotton under loan, had records of loan rates for 353 bales of cotton. The average loan received by them from the week of August 18 to 23, through the week of December 15 to 20, was 33.14 cents per pound. Number of bales placed under loan ranged from 1 to 29 bales per farmer. The average number of bales placed under loan per farmer putting any cotton under loan was 9.

Farmers interviewed said that they could not judge accurately their cotton as to grade and staple. Thirty-three percent of them depended upon the free Government classification service exclusively, whereas 29 percent relied upon buyers for classifying their cotton according to grade and staple length. Twenty-six percent depended upon both the Government classification program and cotton buyers, and 12 percent of the farmers did not know who classified their cotton.

Ninety-seven percent of the 252 farmers secured current market information, while 3 percent used no market information when selling their cotton.

Seventy-eight percent of the farmers interviewed knew of the Smith-Doxey free classification service, whereas 22 percent had no knowledge of this service. Of the farmers who knew of the service, 59 percent had 1,951 bales of cotton classified under the program. The average number of bales classified per farmer using this service was about 13. Twenty-nine percent of the farmers did not have any cotton classified under the program, whereas 12 percent could not provide information on the subject as their landlord handled these marketing arrangements.

Ninety percent of the farmers used some source of credit to help finance the production and marketing of their cotton. Ninety-five percent of the farmers who received credit, used the funds for production purposes exclusively, whereas 5 percent secured finance for both the production and the marketing of their cotton.

Total sums borrowed ranged from \$25 to \$40,000. Principal source of funds was the landlord. The landlord also charged the highest gross interest rates, which averaged about 13 percent. Lowest gross rates were paid by those farmers who obtained loans from the Farmers Home Administration and Production Credit Associations. Gross interest rates charged by these agencies averaged about $4\frac{1}{2}$ percent. Twelve farmers paid no direct interest rates, while 11 did not know the interest rates they were charged.

Twenty-three of the 226 farmers who borrowed money or received extended credit sold from 17 to 100 percent of their cotton to the individual who had loaned them funds.

Ninety-eight percent of 251 farmers reporting, sold cottonseed to the ginner who handled their cotton, and 2 percent did not know who bought their cottonseed, since their landlord handled ginning and marketing operations.

Weight of cottonseed sold to ginner averaged 6,747 pounds per farmer. Cottonseed returned to the farm by farmers for planting purposes averaged 882 pounds per farmer. Cottonseed returned to the farm to supplement livestock feed averaged 1,557 pounds for those few farmers engaged in this practice.

Weekly average prices received by farmers for cottonseed ranged from \$65.05 to \$71.62 per ton, averaging \$69.79 for the season.

Recommendations

Present marketing practices among Negro cotton farmers offer possibilities for improving marketing efficiency. In order to achieve this, full cooperation is needed between cotton farmers in the Mississippi River Delta Area and Negro agricultural college and extension workers. These agricultural workers should advise and demonstrate the best practices to use in the marketing of cotton and cottonseed. Adoption of the following practices is recommended:

1. Finance Cotton Crop Wisely

Farmers who need financial assistance in the production or marketing of their cotton, should make a careful study of all available sources of finance prior to borrowing needed money or obtaining extended credit.

Factors to consider are as follows:

- (1) Character of person or organization offering credit
- (2) Policies governing the loaning agency
- (3) Experience of the loaning agency
- (4) Interest rates charged.

2. Maintain Records of Expenses and Sales

Simple records of expenses and sales should be kept by all farmers. With full cooperation from agricultural agents and educational institutions, farmers can be shown the value of keeping records of expenses and sales as a basis for making certain production and marketing decisions. Such records would also make it easier for many farmers to compute their income taxes.

3. Determine the Choice of Gin on the Basis of Service, Facilities, and Prices Paid for Cottonseed

When possible, farmers should select the gin that uses ginning methods and equipment that best protect the quality of their cotton, so as to

receive the best prices for their cotton. The price being paid for cottonseed and ginning charges should also be considered.

4. Deliver Uniform Bale Lots to the Gin

Farmers should not mix different varieties of seed cotton since there is a possibility of ginning a bale lot of high-grade and low-grade cotton. This cotton may be bought by buyers on the basis of the lower grade. By ginning bale lots of one variety of cotton which is uniform in quality, the farmer has a better opportunity to receive premium prices.

5. Have Adequate Transportation Facilities for Hauling Cotton to the Gin

A better distribution of transportation facilities is needed, since transportation for some farmers was unavailable for immediate hauling of seed cotton to the gin. In a few cases this problem could be minimized by more cooperation between those farmers who do not have a favorable means of transportation and ginners who could furnish this transportation. In addition neighbors who have better transportation facilities could cooperate with others who lack adequate transportation. This would minimize the transportation problem that now exists among some farmers.

6. Better Knowledge of the Smith-Doxey Program

Educational work is needed to familiarize more farmers with the free cotton classing and market news services for organized groups of farmers, under the Smith-Doxey Act. By showing producers the benefits derived from the use of this program, farmers might have more of their cotton classified under the program and make better use of classing cards received from the classing office.

7. Use Available Market Information

Use of current market information furnished by the radio, the press, classing cards, bulletin boards, and Federal-State market reports would tend to improve the farmer's bargaining position in the sale of his cotton.

8. Obtain Bids from Several Buyers When Possible

Farmers should try to sell their cotton on a competitive basis when possible, by interviewing several buyers in the local market before making a sale. Effective competition among buyers means that farmers receive the price their cotton is actually worth.

9. Sell Cotton at the Largest Possible Market

Certain markets attract more buyers than others because of the presence of large supplies of available cotton. Farmers should adopt the practice of selling their cotton in markets of this type, in as large lots as feasible, when possible. By selling cotton in large markets where many buyers are located, farmers have a better opportunity to receive a higher price for their cotton than in markets where only one buyer is present.

10. Consider Carefully the Advantages Offered by the Cotton Loan Program

Farmers should consider all available market information each fall, as well as the prevailing level of prices during the early part of the marketing season. On this basis they should make their own decision as to whether placing cotton under loan will be of financial advantage.

11. Expansion of Participation in the Marketing of Cotton

A few farmers interviewed had no knowledge of the marketing practices used in the marketing of their cotton since they depended upon others to perform these services. It is believed that with full cooperation from county agricultural agents, these farmers can be shown the best marketing practices to be used in the marketing of their cotton. With such knowledge they would be in a better position to market their cotton wisely.





